Social Planning Council of Winnipeg

POVERTY BAROMETER

May 2004

Child Care: It Does A Public Good!

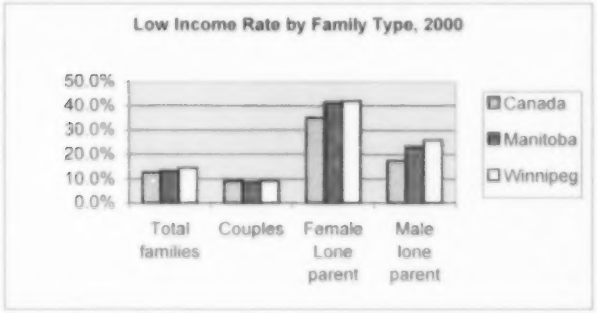
Child care contributes to the development and life-long good health of children. It supports families by enabling parents to work or study, and participate in their communities. Child care also contributes to the public good by fostering safe and healthy communities, helping to reduce poverty, enabling women's equality, and creating jobs in the child care field. Research has shown that for every $1 invested in child care, there is a $2 return of social benefits.[1]

Child care, or day care as it used to be called, refers to a range of care, education, and development services for children between the ages of 0-12, including early childhood development for children 0-6.

Child Care is not usually thought of as a public entitlement like health care and education. In Manitoba, as in the rest of Canada, child care is a service to be purchased by parents, and not a public responsibility. While we can easily see the immediate benefits of child care, what is less obvious are the social benefits of child care—benefits to all of us, whether we have children or not.

CHILD CARE AND CHILD POVERTY

Child poverty is connected to adult poverty, and particularly women's poverty. Seventy percent of poor children live with a single mother. The child poverty rate in Manitoba is 22.5%, almost 7% higher than the national rate. In Manitoba, there are 41,060 children between the ages of 0-12 living in poverty.[2] Child care is an essential part of a poverty reduction strategy for parents with children under twelve.



Source: Social Planning Council of Winnipeg, Statistics Canada Census 2001.

Poverty has a lifetime of negative effects on a child. Children living in poverty are more likely to need health services, academic remediation, and to drop out of school, all of which increase the likelihood of requiring income assistance and decrease an individual's ability to obtain a job.[3] Child care supports parents to work, increases their family income, promotes school readiness for children, and reduces child poverty.

An American study found that children living in poverty who were enrolled in a quality preschool program fared better over the course of their lives. Lifetime earnings for children who attended preschool were $143,000 more than children who didn't. Earnings for mothers of children who attended were $133,000 more. Children who participated in preschool were school ready and needed less special and remedial education.[4]

[1] Prentice, Susan (2000). *A Decade of Decline: Regulated Child Care in Manitoba, 1989-1999*. Canadian Centre for Policy Alternatives—Manitoba.
[2] Social Planning Council of Winnipeg (2003). *Manitoba Child Poverty Report Card*.
[3] Canadian Child Care Federation (2003). Targeted Versus Universal Child Care. *Research Connections Canada*, Volume V.
[4] Masse, Leonard N. and Steven Barnett. *A Benefit Cost Analysis of the Abecedarian Early Childhood Intervention*. Retrieved from: www.nieer.org

WHAT IS QUALITY CHILD CARE?

Child care involves more than "babysitting" a child – child care should encourage and enhance children's emotional, social, intellectual, and physical well being and development. High quality care provides children with early education and fosters their healthy development. Quality is best assured when child care is delivered in a setting that is licensed, monitored, and regulated. Research has shown that quality is more likely when care is provided by caregivers who have post secondary credentials in early childhood education and receive fair wages and working conditions.

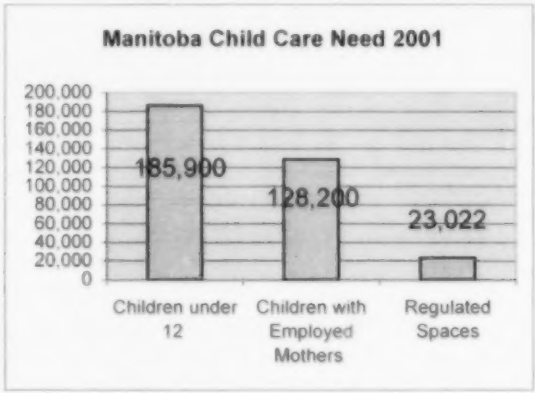
CHILD CARE IN MANITOBA

Even if child care is of the highest quality, it does little for families if they cannot access it. Access to child care means that all children have an opportunity to attend a quality program regardless of their family income, parent's employment, where they live, their learning or physical needs, or ethnic, cultural, or language background.[5]

IS THERE ENOUGH CHILD CARE?

In Manitoba, most children under twelve have mothers in paid employment or attending school. In 2001, of Manitoba's 185,900 children under the age of 12, appproximately 70% had mothers in the paid workforce. In 2001, there were 23,022 licensed child care spaces in Manitoba. Currently there are only enough licensed child care spaces for one out of every eight of Manitoba's children.

This means that seven out of eight children (88%) are going without quality regulated child care. It also suggests that most parents are relying on informal and unregulated child care in which there is no monitoring of basic health and safety, no subsidy, no guarantee of developmentally appropriate programming, or a reliable service for parents to work and children to feel safe and secure.



Source: Prentice, Susan (2000). *A Decade of Decline: Regulated Child Care in Manitoba, 1989-1999*. Canadian Centre for Policy Alternatives—Manitoba.

WHAT DO PARENTS NEED?

Parents need a child care system that meets their changing and diverse needs. The growth of non standard employment has created the need for flexible child care. Many parents work part time—either by choice or because there is no alternative— or shifts outside of the traditional 9-5 work week, but part time child care is difficult to find.

Did you know...Currently there are no child care facilities in Winnipeg that are open regularly on Sundays and only a handful of family child care homes offer twenty four hour or emergency child care.

Only 8% of licensed child care spaces in Manitoba are for infants. Even though maternal and parental leave is a maximum of twelve months, many families do not qualify and so the need for infant care is a significant challenge. Parents of school aged children have problems too as most child care spaces are for preschool children between the ages of 2-5.[6]

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[5] Child Care Advocacy Association of Canada. http://www.childcareadvocacy.ca

[6] All child Care data from Friendly, Martha, Beach, Jane, and Turiano, Michelle (December 2002). *Early childhood education and care in Canada 2001*.

HOW AFFORDABLE IS CHILD CARE IN MANITOBA?

Parents using centres typically pay annual fees of $7,280 for an infant, $4,888 for a preschooler, and $3,170 for a school age child. Fees tend to be slightly lower for family day care homes.[7] The Government of Manitoba has a Child Care Fee Subsidy Program that subsidizes part or most of the fee for low income families who use licensed child care.

In 2001, out of the total 23,022 licensed spaces, there was an average of 10,964 children receiving the subsidy each month.[8] Parents who qualify will receive a subsidy, provided they can find a licensed child care space. Those who cannot get a licensed space may have to find a private child care provider and pay the full cost or may not be able to work or go to school. On a monthly average, it can be estimated that the fee subsidy program helps approximately 6% of children in Manitoba between the ages of 0-12.

Subsidy eligibility levels determine how much parents will have to pay out of their own pocket for child care. Income eligibility levels have not increased since they were set in 1991. As a result, parents must be well below the poverty line to be eligible for the maximum subsidy.

Subsidy Eligibility (net income, 2001)

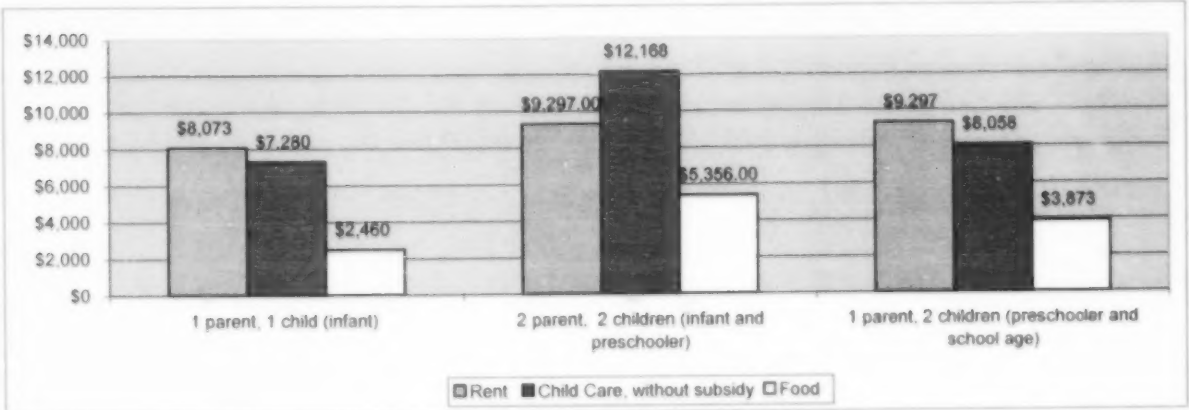
Family Type	Maximum subsidy available up to	Cut off for subsidy eligibility	Low Income Cut Offs (LICOs)*
1 parent, 1 preschooler	$13,787	$24,577	$24,077
2 parents, 2 preschoolers	$18,895	$40,475	$36,247

Since 1993, child care facilities have been allowed to apply an extra $2.40/child/day surcharge to parents. Parents who receive income assistance can have the surcharge paid by Employment and Income Assistance only up to $1.00/day. A parent with two children could still pay up to $96/month for child care—even with the maximum subsidy!

WHAT IS THE REAL COST OF CHILD CARE?

Child care is often second to shelter in expenditures for Canadian families.[9] A minimum wage worker earns $13,162.50/year. Without a subsidy, this parent could be paying up to 60% of their income on child care.

Cost of Child Care, Rent, and Food Costs by Family Type[10]



[7] Child Care Coalition of Manitoba (February 2001). *Blueprint for Action: A Five Year Plan for Manitoba Child Care Policy Redesign*.
[8] In 2001, approximately 19,000 children were approved for the subsidy. Manitoba Child Day Care Office.
[9] *Diversity or Disparity? Early Childhood Education and Care in Canada*. Second Report, Community Indicators Project. Campaign 2000 (November, 2003).
[10] Food and Rent costs from Manitoba Agriculture and Food (2003). *Family Finance: Family Living Costs: 2003*.

WHAT NEEDS TO BE DONE?

The need for a national child care program remains as strong as ever. Too many Manitoba families struggle to find, keep, and pay for reliable child care. What is needed is for child care to become a public responsibility and a universal service that all Canadians are entitled to. The whole of society will benefit from a comprehensive quality child care program that is universally available to all Canadians.

Did you know...

Canada is one of the few developed countries that does not have a universal child care program.

THE SOCIAL PLANNING COUNCIL OF WINNIPEG RECOMMENDS...

Child Care Policy

- A national universal early childhood care and education system, with public funding, for all children from birth to age 12; one that is fully inclusive and meets the needs of all children. Sufficient funds must be committed from both the Governments of Canada and Manitoba.
- An immediate increase in the subsidy levels and indexation to the Low Income Cut Offs.
- The immediate elimination of the $2.40 per child/day surcharge. A commitment has been made by the Government of Manitoba for a reduction within five years.
- A significant expansion of spaces with a proposed benchmark target of providing spaces to 30% of all children under the age of 12 by the year 2007.
- A strategy for the training, recruitment and retention of trained Early Childhood Educators and licensing coordinators. Several thousand to enroll in the community college ECE program by the fall of 2005.
- Access to high quality child care for children whose mothers are not in the work force or studying, as well as those currently employed, providing solid early childhood development programs for all.

Child and Family Policies

- Extension of maternity and parental leave to 2 years and the amount of previous wages covered should be increased from its current 55% in the Employment Insurance program.
- Improve employment legislation to support the creation of good jobs with good pay and benefits, and also the creation of family and child friendly workplaces that are supportive of the diverse needs of parents and caregivers.
- Increase and index the minimum wage to 60% of average weekly earnings.
- Strengthen the income security system to provide adequate benefits to adults, children, and youth to ensure individuals can provide for themselves and their families.

Source: Robin Mason, Laurel Rothman, and Pedro Barata (2001). *Stacking the Deck. The Relationship Between Reliable Childcare and Lone Mother's Attachment to the Labour Force.* Campaign 2000.

Notes:

* In the Government of Manitoba's Five Year Plan for Child Care, 5,000 more spaces will receive funding by 2007. As of March 2003, there were 24,777 licensed child care spaces and 11,455 children receiving the subsidy. Subsidized children make up 46% of the total licensed spaces.

*The Low Income Cut Offs (LICOs), while not official poverty lines, are a commonly used measure of poverty in Canada. LICOs are adjusted by size of family and community.

This Poverty Barometer was developed by the Campaign 2000 Continues Steering Committee, the Manitoba Child Care Association and the Child Care Coalition of Manitoba.

Poverty Barometer is an occasional publication of the Social Planning Council of Winnipeg.
The mission of the Social Planning Council of Winnipeg is to provide action-oriented leadership in social planning and effecting social policy changes.

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